



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)

5/023/057

March 13, 1998

Sprunger's Minerals
P.O. Box 38054
Leamington, Utah 84638

Re: Approval to Commence Small Mining Operations, ML-47821, Jaub County, Utah
T. 12 S., R. 11 W., Section 16, SW $\frac{1}{4}$ NW $\frac{1}{4}$, DOGM File # S/023/057

Dear Lessee:

The School and Institutional Trust Lands Administration is in receipt of your certificate of deposit, No. 2780600, in the amount of \$ 1,250.00 to be held as surety for reclamation of one quarter acre of disturbed lands as identified in your Notice of Intent (NOI) to commence a small mining operation on lands encompassed under the above referenced lease. As discussed with Sandra Sprunger on March 12, 1998, the Trust Lands Administration rules require that the administration be allowed to make cash withdrawals from the certificate of deposit should the Lessee be in default of reclamation of the disturbed lands or any other lease obligations. I also spoke with Claudia Terrell, of the First Security Bank in Delta, Utah, and she will amend the certificate of deposit signature card to allow for withdrawal with two signatures from the Trust Lands Administration. The certificate of deposit will be held by the Trust Lands Administration until completion of the proposed mining operations and all lease and reclamation obligations are satisfied.

Mr. Kenny Wintch, the Trust Lands Administration's archaeologists, has recommended that no cultural survey be required before you commence with your proposed mining operation. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

As no cultural survey is required and with satisfaction of the bonding requirement the Trust Lands Administration considers your NOI complete and you are hereby granted approval to commence with your proposed mining operation.

Trust Lands Administration approval to commence exploration or mining does not alleviate the necessity to comply with the requirements of the Division of Oil, Gas and Mining. You must contact them and comply with their requirements before commencing with any exploration or development. The address of the Division of Oil, Gas and Mining is 1594 West North Temple, Suite # 1210, P. O. Box 145801, Salt Lake City, Utah 84114.

Springer's Minerals

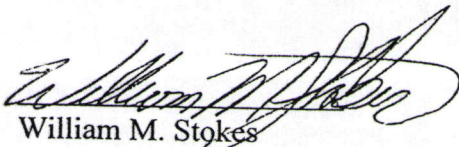
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When in the area a Trust Lands Administration staff member will inspect the site of your proposed operations.

If you have any questions or need additional information please contact me at the phone or address as shown on this letterhead.

Sincerely,

A handwritten signature in dark ink, appearing to read "William M. Stokes", written over a horizontal line.

William M. Stokes
Minerals Resource Specialist

cc: Tom Munson, DOGM